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SUBJECT: LATVIA'S RULING COALITION IN DEADLOCK OVER

APPOINTMENT OF TRANSPORT MINISTER

REF: RIGA 180

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- 11. (U) SUMMARY. Since Transport Minister Ainars Slesers's March 15 dismissal for his alleged involvement in a vote-buying scandal in the city of Jurmala (reftel), Latvia's governing coalition has been unable to appoint a successor due to the tough stance taken by the coalition's senior member, New Era (JL). JL has declared that it wants Sleser's First Party (LPP) to "evaluate" its role in the scandal before it agrees to support the party's candidate. This standoff has further embittered relations between the ruling coalition parties, although none has indicated intent to leave the coalition. Prime Minister Aigars Kalvitis will meet with coalition members on March 29 in an effort to break the deadlock, although no mutually acceptable solution is currently apparent. END SUMMARY.
- (U) Following Ainars Slesers' ouster on March 15, the New Era party has taken an uncompromising stand in refusing to support the First Party's nominee, Krisjanis Peters, as the next Transport Minister. Prime Minister Kalvitis demanded the resignation of then-Minister Slesers as a result of incriminating phone conversations that implicated him in a Jurmala city election vote-buying scandal. After initial speculation that Slesers' LPP might leave the ruling coalition, it instead chose to stay and promptly nominated Saeima (parliament) member Peters as Slesers' successor. Exminister Slesers said he would remain in politics and would resume his seat as member of the Saeima. JL then promptly announced that it would not support any LPP candidate for the vacant Transport Minister's position until that party "properly evaluated" and "repented" of its role in the Jurmala scandal. JL also hinted that Slesers should not return to the Saeima and that he should leave active politics due to his role in the scandal.
- 13. (U) The latest squabble between JL and LPP has further strained already contentious relations between the members of the ruling coalition. Most observers continue to believe, however, that the government will carry on until the October parliamentary elections. Slesers' strong desire to remain actively involved in Latvian politics by reclaiming his parliamentary mandate, however, has created a temporary obstacle to the coalition's continued functioning.
- 14. (SBU) In an attempt to diffuse the tension and resolve the current deadlock, Prime Minister Kalvitis (People's Party) will meet with all the coalition members on March 29. New Era parliamentary faction head Karlis Sadurskis told POL FSN on March 23 that JL did not intend to change its position on Peters, adding, though, that the talks next week would clarify the options acceptable to the coalition. He noted that JL had nothing against Peters. Moreover,

Sadurskis praised Peters as a pragmatic and reasonable politician, a view shared by Post. [NOTE: Peters participated in the January 2006 NATO Tour, and it was very apparent to Embassy escorts that he is well-respected and appreciated by his colleagues for his reasonable approach to even the most contentious issues. End Note.] Embrep also spoke with Peters, who agreed that he had excellent relations with most JL members, but he noted that JL's goal was to oust Slesers from politics, thus undermining LPP's chances in the upcoming elections. BAILEY